

***Also lauds insurance companies for insuring young people sooner than law requires***

(Washington, DC) Today, Congressman Charlie Wilson (OH-6) announced that thousands of Ohio businesses will soon receive information in their mailboxes about new tax credits for which they are eligible. The tax credits are part of the historic health care reform legislation passed by Congress and signed into law by the President last month.

“Small businesses are the engines that drive our economy,” Wilson said. “It will be small businesses that both create jobs and provide access to the health care so many of our families desperately need. That’s why these tax credits are so important. Small businesses need and deserve the help as they play this vital role.”

As part of the Patient Protection and Affordable Care Act, the small business tax credit is one of the first provisions of health care reform to go into effect. The credit is designed to encourage small businesses to offer insurance coverage for the first time or maintain existing coverage choices. Small businesses with 25 employees or less and average wages of less than \$50,000 will qualify for tax credits of up to 50% of the costs of providing health insurance. There are up to 11,300 small businesses in Ohio’s Sixth Congressional district that could qualify for these credits.

Postcards from the IRS explaining the new tax credits and how business owners can take advantage of them are being mailed to 4 million companies across the country starting this week.

In addition, companies with 10 or fewer full-time employees and average wages of \$25,000 or less qualify for the maximum credit – which is equal to 35 percent of what the employer is paying for insurance coverage. The maximum credit rises to 50 percent in 2014. The eligibility is determined based on the number of “full-time equivalent” employees, so businesses that hire part-time employees may qualify even if they employ more than 25 people. Small businesses can claim the credit as part of the general business credit starting with the 2010 income tax return they file in 2011.

“The small business tax credits are just one piece of encouraging news that’s happening so soon after the new health care reform law was enacted,” Wilson said. “Several insurance companies are jumping in ahead of deadlines and offering the option for most children under the age of 26 to stay on their parents’ policy. This is a group of people who have traditionally either been unable to afford coverage or have not had access to it. In the fall, the law will require such access. But I’m encouraged by the news that WellPoint, United Healthcare, and other health insurance companies are stepping up to bridge the gap between now and the fall.”

The Administration is also working hard with other insurers on similar proposals and has sent a letter today offering to work with each of them to expand this opportunity even further.

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